

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN JOHN WITT**, on February 17, 1999 at
8:06 A.M., in Room 201 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. William Crismore (R)
Rep. Dick Haines (R)
Sen. Linda Nelson (D)
Rep. Joe Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Summer Alger, Committee Secretary
Greg DeWitt, Legislative Branch
Roger Lloyd, Legislative Branch
Shirley Moore, OBPP
Doug Schmitz, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 2 - Dept. of Environmental Quality Budget;
HB 2 - Dept. of Fish, Wildlife & Parks Budget;
HB 2 - Dept. of Commerce Budget;
HB 2 - Dept. of Natural Resources & Conservation
Budget
Executive Action: HB 2 - Dept. of Environmental Quality Budget;
HB 2 - Dept. of Fish, Wildlife & Parks Budget;
HB 2 - Dept. Of Commerce Budget;
HB 2 - Dept. of Natural Resources &
Conservation Budget

HEARING ON HB 2 - DEQ BUDGET

Curt Chisholm handed out an outline of Outstanding Issues to work from during the meeting.

EXHIBIT(jnh39a01)

The division then began a discussion of indirect cost allocation spending authority. **Dave Thorsen** handed out a sheet on DP's with Budget Items other than Indirect Costs.

EXHIBIT(jnh39a02)

Roger Lloyd also handed out a sheet on DEQ Indirect Costs DP's.

EXHIBIT(jnh39a03)

HEARING ON HB 2 - DEQ BUDGET - PLANNING, PREVENTION & ASSISTANCE
DIVISION

DP 10

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - PLANNING, PREVENTION &
ASSISTANCE DIVISION

{Tape : 1; Side : A; Approx. Time Counter : 6.8}

Motion/Vote: SEN. KEATING moved that DP 10 BE ADOPTED ~ INDIRECT COSTS SUBJECT TO 23% RATE. SECONDED by SEN. CRISMORE. Motion carried unanimously.

HEARING ON HB 2 - DEQ BUDGET - ENFORCEMENT DIVISION

DP 2

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - ENFORCEMENT DIVISION

{Tape : 1; Side : A; Approx. Time Counter : 9.8}

Motion/Vote: SEN. KEATING moved that DP 2 BE ADOPTED WITH ALL THE RENT. SECONDED by SEN. CRISOMRE. Motion carried unanimously.

HEARING ON HB 2 - DEQ BUDGET - REMEDIATION DIVISION

DP 40031

Sen. Keating inquired about the modifications to the numbers (decreased state special and increased federal).

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - REMEDIATION DIVISION

{Tape : 1; Side : A; Approx. Time Counter : 11.8}

Motion/Vote: SEN. KEATING moved that DP 40031 BE ADOPTED WITH CORRECTED NUMBERS. SECONDED by REP. HAINES. Motion carried unanimously.

HEARING ON HB 2 - DEQ BUDGET - PERMITTING & COMPLIANCE DIVISION

DP 27

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - PERMITTING & COMPLIANCE
DIVISION

{Tape : 1; Side : A; Approx. Time Counter : 12.9}

Motion/Vote: SEN. KEATING moved that DP 27 INDIRECT COSTS BE ADOPTED. SECONDED by REP. HAINES. Motion carried unanimously.

HEARING ON HB 2 - DEQ BUDGET - PETROLEUM TANK RELEASE
COMPENSATION BOARD

DP 2

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - PETROLEUM TANK RELEASE
COMPENSATION BOARD

{Tape : 1; Side : A; Approx. Time Counter : 14}

Motion/Vote: SEN. CRISMORE moved that DP 2 BE ADOPTED. SECONDED by REP. HAINES. Motion carried unanimously.

Mr. Chisholm handed out a spreadsheet on Computer System Costs, along with a Enterprise-Wide Database Development: General Fund Request of \$250,000/Year handout.

EXHIBIT(jnh39a04) & **EXHIBIT(jnh39a05)**, respectively.

Mr. Thorsen gave his recommendation for the request of \$250,000/year of general fund for the database. **Chairman Witt** questioned if they do not get the \$500,000, what it would change in other programs. **Sen. Keating** asked why it is all general fund, and why not fund it with other funds within the department. **Rep. Tropila** asked **Mr. Lloyd** if other agencies use general fund for Oracle (no).

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - DATABASE

{Tape : 1; Side : B; Approx. Time Counter : 14.7}

Motion/Vote: REP. HAINES moved TO FUND THE DATABASE PROJECTS AT THE LEVEL OF \$125,000/YEAR OVER THE BIENNIUM AS ONE-TIME-ONLY AND RESTRICTED. SECONDED by SEN. KEATING. Motion carried 5-1 with Witt voting no.

Mr. Lloyd handed out a sheet on DEQ Possible One-Time-Only Appropriations.

EXHIBIT(jnh39a06)

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - ONE-TIME-ONLY
APPROPRIATIONS

{Tape : 1; Side : B; Approx. Time Counter : 19}

Motion/Vote: REP. HAINES moved that THE DP'S LISTED ON EXHIBIT 6, THAT ARE NOT ONE-TIME-ONLY ALREADY, NOW BE ONE-TIME-ONLY AND RESTRICTED. SECONDED by SEN. KEATING. Motion carried unanimously.

HEARING ON HB 2 - DEQ BUDGET - PERMITTING & COMPLIANCE DIVISION

DP 30

Mr. Chisholm addressed the Air Quality Fees, and handed out a sheet on Air Quality Fee Approvals as of 2/16/99.

EXHIBIT(jnh39a07)

Mr. Chisholm commented that the industry will agree to a \$21.78/ton fee. Judy Hanson commented as well, and Sen. Keating discussed the budget adjustment with 1 FTE versus 7 FTE.

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - PERMITTING & COMPLIANCE
DIVISION

{Tape : 1; Side : B; Approx. Time Counter : 25.8}

Motion/Vote: REP. TROPILA moved that DP 30 BE ADOPTED AS OUTLINED BY THE DIVISION. SECONDED by SEN. KEATING. Motion carried 5-1 with Witt voting no.

Mr. Chisholm commented on the \$73,000 of the requested DP 15 database conversion. He also had a handout with language suggestions for the committee.

EXHIBIT (jnh39a08)

**EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - PERMITTING & COMPLIANCE
DIVISION**

{Tape : 2; Side : A; Approx. Time Counter : 5.2}

Motion/Vote: SEN. KEATING moved that THE LANGUAGE FOR DP 15 BE ADOPTED AS GIVEN BY THE DEPARTMENT AS BOILER PLATE. SECONDED by SEN. CRISMORE. Motion carried unanimously.

Mr. Chisholm addressed the Alternative Energy Account transfer of fund balance to general fund. He then handed out a Department Proposal sheet.

EXHIBIT (jnh39a09)

**EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - PERMITTING & COMPLIANCE
DIVISION**

{Tape : 2; Side : A; Approx. Time Counter : 21.3}

Motion/Vote: REP. TROPILA moved that THE ALTERNATIVE ENERGY ACCOUNT FUND BALANCE TRANSFER TO GENERAL FUND BE ADOPTED AS LAID OUT BY THE DEPARTMENT. SECONDED by SEN. NELSON. Motion carried unanimously.

Mr. Chisholm asked that the committee to reconsider action taken on DP 4 (Drinking Water Field Staff) of the Permitting & Compliance Division.

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - DEPARTMENT CLOSURE

{Tape : 2; Side : A; Approx. Time Counter : 25.7}

Motion/Vote: SEN. KEATING moved that THE COMMITTEE CLOSE THE DEQ BUDGET SECTION. SECONDED by SEN. NELSON. Motion carried 5-1 with Crismore voting no.

Break @ 9:35am *{Tape : 2; Side : A; Approx. Time Counter : 27.6}*

*Leave Doug Schmitz ~ enter Shirley Moore (OBPP Staff)

**HEARING ON HB 2 - FW&P BUDGET - CONSERVATION EDUCATION DIVISION &
DEPARTMENT MANAGEMENT**

DP 805 & DP 905

Director Pat Graham asked the committee to increase the \$40,000 in DP 905 of Department Management by the \$21,500, and delete the \$21,500/year from DP 805 of the Conservation Education Division. He wants to see an adjustment to his budget because of expected costs that he will incur over the next biennium.

**EXECUTIVE ACTION ON HB 2 - FW&P BUDGET - CONSERVATION EDUCATION
DIVISION & DEPARTMENT MANAGEMENT**

{Tape : 2; Side : B; Approx. Time Counter : 0.2}

Motion/Vote: REP. TROPILA moved TO RECONSIDER ACTION ON DP 805 AND DELETE IT. SECONDED by SEN. CRISMORE. Motion carried unanimously.

*Sen. Keating and Rep. Haines were not present.

{Tape : 2; Side : B; Approx. Time Counter : 0.8}

Motion/Vote: REP. TROPILA moved TO RECONSIDER ACTION ON DP 905 AND ADD \$21,5000 FROM DP 805 TO DP 905. SECONDED by SEN. CRISMORE. Motion carried unanimously.

*Sen. Keating and Rep. Haines were not present.

Mr. Lloyd addressed the one-time-only consideration of new proposal DP 101 of the Administrative & Finance Division. **Director Graham** commented that \$250,000 of that DP is one-time-only.

**EXECUTIVE ACTION ON HB 2 - FW&P BUDGET - ADMINISTRATION & FINANCE
DIVISION**

{Tape : 2; Side : B; Approx. Time Counter : 3.8}

Motion/Vote: SEN. CRISMORE moved that THE REST OF DP 101 BE ONE-TIME-ONLY. SECONDED by REP. TROPILA. Motion carried unanimously.

*Leave Roger Lloyd ~ enter Greg DeWitt

HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - HOUSING DIVISION

DP 7401

The division passed around a handout on Section 8 Housing: Facts on Future Changes.

EXHIBIT(jnh39a10)

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - HOUSING
DIVISION**

{Tape : 2; Side : B; Approx. Time Counter : 11.1}

Motion/Vote: SEN. KEATING moved TO RECONSIDER ACTION ON DP 7401.
SECONDED by SEN. CRISMORE. Motion carried unanimously.

Sen. Keating discussed his reasoning for reconsideration. HUD will go ahead anyway, so it is better to have state control than federal administration.

Maureen Rude went over the Section 8 Housing handout, commenting that the contracts with developers are to run for 20 years with 40 year mortgages. George Warn dealt with direction of Section 8 and explained the program to the committee.

Mr. DeWitt explained to the committee that for ease of discussion he split the executive proposed DP 7401 into two decision packages: DP 7401 for HUD Contract Expiration and DP 7413 for HUD Contract Administration.

Contract Expirations

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - HOUSING
DIVISION**

{Tape : 2; Side : B; Approx. Time Counter : 22.1}

Motion/Vote: SEN. KEATING moved the APPROVAL OF RESTRICTION OF DP 7401 SO THAT THESE FTE ARE ONLY HIRED IF THE DEPARTMENT IS ALLOCATED THESE EXPIRING UNITS BY HUD, AND ADDITIONAL BUDGET AUTHORITY RESTRICTED TO USE FOR THESE EXPIRING CONTRACTS. SECONDED by REP. TROPILA. Motion carried unanimously.

Contract Administration

EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE - HOUSING DIVISION

{Tape : 2; Side : B; Approx. Time Counter : 29.9}

Motion/Vote: SEN. KEATING moved TO RESTRICT DP 7401 SO THAT THESE FTE ARE ONLY HIRED, AND RELATED OPERATING EXPENSES ARE ONLY INCURRED, IF THE DEPARTMENT COMPETES AND IS REWARDED CONTRACT ADMINISTRATION AUTHORITY THROUGH HUD'S COMPETITIVE REQUEST FOR PROPOSALS. SECONDED by REP. TROPILA. Motion carried unanimously.

*Leave Greg DeWitt and Shirley Moore ~ enter Roger Lloyd and Doug Schmitz.

**HEARING ON HB 2 - DNRC BUDGET - TRUST LAND MANAGEMENT DIVISION
AND FORESTRY DIVISION**

Language

Director Bud Clinch addressed data accounting. Mr. Schmitz handed out proposed HB 2 language concerning Trust Land Management Division and Forestry Division data for accounting and financial reporting purposes.

EXHIBIT(jnh39a11)

**EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - TRUST LAND MANAGEMENT
DIVISION AND FORESTRY DIVISION**

{Tape : 3; Side : A; Approx. Time Counter : 8.6}

Motion/Vote: SEN. CRISMORE moved that THE PROPOSED HB 2 LANGUAGE FOR ACCOUNTING BE ADOPTED. SECONDED by REP. HAINES. Motion carried unanimously.

HEARING ON HB 2 - DEQ BUDGET - CENTRAL MANAGEMENT

Rep. Tom Zook sent a letter to the committee addressing Adjustments of Indirect Services Rates.

EXHIBIT(jnh39a12)

EXECUTIVE ACTION ON HB 2 - DEQ BUDGET - CENTRAL MANAGMENT

{Tape : 3; Side : A; Approx. Time Counter : 10.4}

Motion/Vote: SEN. KEATING moved TO RECONSIDER ACTION OF DEQ BUDGET CLOSURE. SECONDED by SEN. NELSON. Motion carried unanimously.

{Tape : 3; Side : A; Approx. Time Counter : 12.8}

Motion/Vote: SEN. KEATING moved TO ADJUST ALL AGENCY STATEWIDE ADJUSTMENTS TO REFLECT THE NEW INDIRECT SERVICE RATES AS APPROVED

**BY THE GENERAL GOVERNMENT AND TRANSPORTATION SUBCOMMITTEE.
SECONDED by SEN. CRISMORE. Motion carried unanimously.**

Rep. Haines gave an overview of his House joint resolution issue and asked the committee to vote for it.

EXECUTIVE ACTION ON HB 2 - AGENCY BUDGET CLOSURE

{Tape : 3; Side : A; Approx. Time Counter : 23.3}

Motion/Vote: SEN. NELSON moved that **TO CLOSE ALL AGENCY BUDGETS EXCEPT FOR FW&P. SECONDED by SEN. KEATING. Motion carried unanimously.**

Break @ 10:45am *{Tape : 3; Side : A; Approx. Time Counter : 23.5}*

Rep. Haines handed out a copy of the Unofficial Draft Copy of the House Joint Resolution.

EXHIBIT (jnh39a13)

Rep. Haines discussed with the committee what he is looking for with the joint resolution. **Chairman Witt** asked if there has to be money for this. **Sen. Nelson** and **Rep. Tropila** replied that there is already an amount of money set aside for funding of projects.

EXECUTIVE ACTION ON HB 2 - FW&P BUDGET - HOUSE JOINT RESOLUTION

{Tape : 3; Side : A; Approx. Time Counter : 27.4}

Motion/Vote: REP. HAINES moved that the **FW&P HOUSE JOINT RESOLUTION BE ADOPTED. SECONDED by SEN. NELSON. Motion carried unanimously.**

EXECUTIVE ACTION ON HB 2 - AGENCY BUDGET CLOSURE

{Tape : 3; Side : A; Approx. Time Counter : 28.1}

Motion/Vote: REP. TROPILA moved **TO CLOSE FW&P BUDGET. SECONDED by SEN. NELSON. Motion carried unanimously.**

ADJOURNMENT

Adjournment: 11:03 A.M.

REP. JOHN WITT, Chairman

SUMMER ALGER, Secretary

JW/SA

EXHIBIT (jnh39aad)